HCFA MEDICARE • MEDICAID Health Care Financing Administration

Volume V, Number 2 October–November 1999

HEALTH watch

Children's Health Insurance Program

National Back-to-School Kick-Off Campaign Strengthens Support to Insure More Children

HHS Secretary Donna E. Shalala, along with Attorney General Janet Reno, Education Secretary Richard Riley, and representatives of several national non-profit organizations, announced a national back-to-school campaign in September to enroll children in free or low-cost health insurance through the Children's Health Insurance Program (CHIP).

With the support of the U.S. Departments of Health and Human Services, Justice, and Education, and national non-profit organizations including the United Way, September's announcement launched a campaign to raise awareness and enroll children in health insurance through CHIP and Medicaid in local communities this fall.

Secretary Shalala also announced a $1 million radio campaign, funded by HHS, to promote these upcoming enrollment activities that were scheduled through October 2. The back-to-school campaign included 45 outreach events in more than 25 local areas in partnership with local United Ways, schools, hospitals, community health centers, community-based organizations, and media outlets.

"Access to health insurance is what families need to help ensure that their children grow up healthy and strong," said Secretary Shalala. "This campaign is one way that we are pulling together to help hard-working, low-income parents give their children quality health care through CHIP."

Proposed by President Clinton and passed as part of the bipartisan Balanced Budget Act of 1997, CHIP is the largest single expansion of health insurance coverage for children in more than 30 years. This initiative was designed to reach children who come from working families with incomes too high to qualify for Medicaid, but too low to afford private health insurance. This initiative sets aside $24 billion over five years for states to provide new health coverage for millions of children. To date, plans prepared by all 50 states, five U.S. territories, and the District of Columbia have been approved. With these plans, states expect to enroll an estimated 2.6 million children by September 2000.

See **BACK-TO-SCHOOL,** page 3

Members of Three Advisory Panels Announced

The Health Care Financing Administration (HCFA) announced the members of the first three panels of the newly formed Medicare Coverage Advisory Committee (MCAC) on August 5 1999. The MCAC consists of a group of experts who will advise Medicare on coverage policy decisions. [Please refer to more details in the "Message from the Deputy Administrator" column.]

HCFA announced the members of the Laboratory and Diagnostic Services Panel; Drugs, Biologics and Therapeutics Panel; and Medical and Surgical Procedures Panel. The members of the three other panels on Durable Medical Equipment, Medical Devices and Prosthetics, and Diagnostic Imaging as well as the Executive Committee will be appointed at the first meeting of the MCAC expected to be held in the fall. The Executive Committee is comprised of the chairs and vice-chairs of the six panels, an at-large member from the MCAC currently not serving on a panel, and a consumer representative.

Upcoming meetings will be announced in the *Federal Register* and on Medicare's Web site, ***www.medicare .gov.***

The names and affiliations of the three panels announced on August 5 and the current membership of the Executive Committee are provided as follows.

See **PANEL,** page 7

HCFA HEALTH watch

The *HCFA Health Watch* is published monthly, except when two issues are combined, by the Health Care Financing Administration (HCFA) to provide timely information on significant program issues and activities to its external customers.

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You may browse past issues of the *HCFA Health Watch* at ***www.hcfa.gov/news/newsltrs/newsltr.htm***. Also, should you wish to make an address change or comment on an article, send your E-mail to ***healthwatch@hcfa.gov***.

Medicare has increased the mammography benefit to include coverage for annual mammograms for all Medicare-enrolled women ages 40 and over. In addition, the Medicare Part B deductible is waived for mammography services. For more information, please call the American Cancer Society at

1-800-ACS-2345

Message from the Deputy Administrator

MICHAEL M. HASH

TIMELY, SCIENCE-BASED MEDICARE coverage decisions are being made at HCFA using a new administrative process and the assistance of a committee of top health care authorities.

This process, which assures that national coverage decisions are more open, predictable and understandable, to the public already is bearing fruit with one major coverage addition approved and solid progress being made on another.

In September we announced the coverage of insulin pumps for eligible beneficiaries with Type I diabetes. Insulin pumps enable users to maintain tight control of their glucose levels and are going to improve the quality of life for these patients.

This coverage decision was made promptly within the 90-day commitment set by the new process and followed extensive review of scientific evidence and expert opinion by HCFA staff.

Another big part of our initiative is the creation of a Medicare Coverage Advisory Committee of outside experts charged with studying coverage issues and making recommendations to HCFA.

Members were appointed in August and September, and the committee's panel on drugs, biologics and therapeutics already has met and produced the first coverage recommendation — Medicare coverage of autologous stem cell transplantation with high-dose chemotherapy to treat multiple myeloma. Each year about 13,000 Americans develop this bone marrow cancer.

Medicare law provides for broad coverage of many medical and health care services, including care provided by physicians, hospitals, skilled-nursing facilities and home health agencies. However, Congress delegated the authority to the Health and Human Services Secretary to decide which specific items and services within these categories can be covered by Medicare.

The law also states that Medicare cannot pay for any items or services that are not "reasonable and necessary" for the diagnosis and treatment of illness and injury.

Most Medicare coverage and policy decisions are made locally by HCFA contractors — the private companies that by law process and pay Medicare claims. But HCFA also makes coverage policies that apply nationwide and are binding on all contractors and administrative law judges.

Under our new administrative process, HCFA will initiate national coverage reviews when appropriate and accept formal requests from the public for coverage decisions, as published in the April 27 *Federal Register*.

The new advisory committee — and its six specialty panels — includes some of the most respected health policy and technology assessment authorities in the United States. They will review medical literature, analyze technology assessments, and examine data before making recommendations.

HCFA still makes the final decision on Medicare coverage, a role it has performed for more than 30 years. But the groundwork of the advisory committee will assure that HCFA can make coverage decisions based on the latest scientific evidence.

In the end, the Medicare program will benefit, and more importantly, its almost 40 million enrollees will benefit, by the greater assurance of appropriate coverage and the highest quality health care. ◆

Promoting Preventive Health Benefits in the Medicare Program

Over the past couple of years, HCFA has actively promoted the preventive health benefits available to beneficiaries in the Medicare program. These benefits include immunization for influenza and pneumococcal pneumonia, as well as screening services for breast cancer, cervical cancer, and colorectal cancer. In its beginning stages, HCFA's promotional efforts focused primarily on reaching beneficiaries directly and encouraging them to seek these services from their health care providers.

More recently, however, HCFA's outreach and educational efforts have begun to target the Medicare provider population, in addition to the beneficiary population. Research has shown that patients are more likely to consider and obtain preventive services recommended by their provider. Therefore, if providers are educated on the need for their patients to take advantage of Medicare's covered preventive services, they will be more likely to recommend them to their patients, and as a result, patients will be more likely to obtain those services.

In support of its focus on providers, HCFA recently announced the National Provider Education Program, and one of its primary focus areas involves preventive services. The program serves as an adjunct to the many activities already underway at local Medicare contractors to promote preventive services. It includes a combination of satellite broadcasts and computer-based training courses to educate providers about Medicare-covered preventive benefits. Under this program, Medicare providers from around the country have participated in two live satellite broadcasts, one promoting the use of influenza and pneumococcal immunizations, and the other promoting the use of screening services by women for breast, cervical, and colorectal cancers.

Both broadcasts featured overviews of what various federal agencies and national organizations are doing to promote the use of preventive services. Private practitioners, hospitals, managed care plans, and public health departments discussed activities they undertake to encourage and provide their Medicare beneficiaries with necessary immunizations or screenings. In addition, both broadcasts presented Medicare coverage, billing, and reimbursement issues related to the services. The last part of each broadcast discussed the importance of effective provider/patient communication, and how lack of communication or miscommunication between the parties can seriously hinder a Medicare beneficiary's understanding of the importance of or ability to obtain necessary preventive services. Each broadcast included viewer call-in question-and-answer segments as well as the opportunity for viewers to fax or e-mail questions to the panelists.

The broadcasts are complemented by a free computer-based training (CBT) course geared toward providers. The CBT modules include pre- and post-test assessments of a provider's knowledge of Medicare's coverage, reimbursement, and billing policies relevant to the specific preventive services. The CBT modules can be found at ***www. hcfa.gov/learning***.

Through the use of distance learning techniques, such as satellite broadcasts and CBT modules, HCFA intends to educate providers on the importance of Medicare-covered preventive services and their role in promoting and providing those services. HCFA is also exploring other forms of communication with providers (such as Web-based training) in an effort to identify ways to increase utilization and promote awareness of Medicare's covered preventive services. HCFA realizes the importance of provider participation in promoting good health among beneficiaries and hopes that by sponsoring these learning opportunities, providers will obtain the resources and information they need to make promoting preventive services a regular part of their practices. Suggested topics that providers would like to have covered in national articles, satellite broadcasts, and other CBT modules would be appreciated. Providers are encouraged to share their thoughts and ideas with us at ***www.hcfa.gov*** under the Learning Resources option. ◆

Free video copies of the satellite broadcast programs can be ordered from ***www.hcfa.gov/learning***.

Annette Lang, a health insurance specialist, contributed this article.

BACK-TO-SCHOOL, from page 1

The back-to-school campaign is supported by several national non-profit organizations, including the United Way of America, which represents 1,400 independent, local United Ways, America's Promise, the American Hospital Association, the American Academy of Pediatrics, the Center on Budget and Policy Priorities, the Children's Defense Fund, the National Assembly of National Voluntary Health and Social Welfare Organizations, the National Association of Community Health Centers, and the National Council of La Raza. ◆

Families and others interested in more information about CHIP can call the Insure Kids Now! national toll-free telephone number, ***1-877-KIDS NOW***. Information on CHIP and local upcoming events is also available on the Web site at ***http://www.insurekidsnow.gov***. An audio of Secretary Shalala discussing CHIP is available on the HHS Radio Line at 1-800-621-2984.

New Medicare Payment Rates Increased by 2.1 Percent on October 1 As A Way to Provide High Quality, Efficient Care in Skilled-Nursing Facilities

HCFA announced in the July 30 edition of the *Federal Register* that Medicare payment rates to skilled-nursing facilities (SNFs) would increase by 2.1 percent for fiscal year 2000.

Nursing home rates for post-acute care under Medicare are based on a prospective payment system, required by the Balanced Budget Act of 1997, which was implemented last year as a way to provide high quality, efficient care.

Under the prospective payment system, payment rates to SNFs cover the costs of furnishing most covered nursing home services. These include allowable post-hospital nursing home services provided under Medicare Part A and services covered under Part B before the prospective payment system (PPS) began on July 1, 1998. Medicare Part A covers inpatient care, and Part B pays doctor bills, therapy and other services. The PPS now covers SNF services, excluding payment for physician and certain other practitioner services.

The rate updates are based on increases in the cost of covered SNF care and changes in the geographic variation in wage levels. The Medicare SNF payment rate is determined by a formula set in law. HCFA has no statutory authority to make rate increases beyond the inflation adjustment.

Under the PPS each facility receives a base payment amount adjusted for local wages and the clinical characteristics of individual patients. Covered costs include routine services such as room, board, nursing services, minor medical supplies; ancillary costs such as therapies, drugs and lab services; and capital costs including land, building and equipment.

This payment system was designed to ensure better patient care by relating payments to the condition of the patient, recognizing that some need more services or more expensive care than others, rather than a set amount per patient. Under the previous system of basing payment on nursing home costs, the SNF benefit was one of the fastest-growing components of Medicare spending. Hospitals have been paid under a PPS since 1983.

For the first three years of PPS implementation, the payment rate for a nursing home is determined by a blend of a facility specific rate and a federal rate. In the first year, the facility percentage was 75 percent and the federal rate 25 percent. As facilities enter their second year under PPS, the mix becomes 50-50. This began as early as July 1, 1999 for some nursing homes, depending on the individual facility's cost-reporting period. In the third year, the blend will be 25 percent facility and 75 percent federal, and in the fourth year all nursing facilities will be paid at the federal rate. ◆

Calendar of Events

November 2	Deputy Administrator Michael Hash addresses the National Citizens' Coalition for Nursing Home Reform in Washington, D.C., on *HCFA's changes affecting nursing home residents and their families during the last year.*
November 14	Center for Health Plans and Providers Director Robert Berenson speaks at the American College of Allergy, Asthma and Immunology in Chicago, Ill., on *The future of specialty care: Allergy and Medicare or Medicare in the new millennium: The shape of things to come.*
November 17	Deputy Administrator Hash meets with the Executive Committee of the National Association of State Medicaid Directors (NASMD) in Washington, D.C., on *HCFA priorities.*
	Center for Health Plans and Providers Director Berenson addresses The Academic Medicine and Managed Care Forum in Washington, D.C., on *The role of the federal government in terms of quality improvement and how HCFA quality-oriented programs fit into the larger efforts to improve patient care in this country*
November 18	Center for Health Plans and Providers Director Berenson addresses the Florida Association of Health Maintenance Organizations in Palm Harbor, Fla., on *Medicare+Choice*.

Apologies. . .

Health Watch has printed issues on a monthly basis since the last combined issue of August/September 1997. In a dire emergency, however, the editor may combine two issues as is mentioned in the masthead. Most of the time a rare combination occurs because news happens to be scarce. In the present situation, we were waiting on the release of FY 2000 funds for printing, while time-sensitive events in *Health Watch* expired. In this particular dilemma, we decided to abort printing the October issue and combine it into an October/November issue in order to update the Calendar of Events and some other articles. Advance warning on the combination was impossible, so we apologize to our readers for the inconvenience.

National Capital Area Back-to-School Campaign Highlights *Insure Kids Now!* Day

Numerous community-minded businesses, non-profit organizations, State governments and the Department of Health and Human Services held *Insure Kids Now!* Day on September 25th in McDonald's restaurants in the National Capital Area to help working families apply for free or low-cost health insurance coverage.

> Sixteen McDonald's Family Restaurants in the District of Columbia, Maryland, Virginia and West Virginia hosted *Insure Kids Now!* Day.

State health workers and other community volunteers met with families and answered questions about the Children's Health Insurance Program (CHIP) as well as the Medicaid program. In addition, the workers provided families with enrollment assistance at each participating restaurant.

Insure Kids Now! Day is part of HCFA's ongoing campaign to inform families with uninsured children about CHIP and Medicaid. CHIP, a partnership between federal and state governments, helps provide children of working families with health insurance coverage they need to grow up healthy and strong. With millions of American children uninsured, CHIP enables each state to provide insurance for children under the age of nineteen.

According to Chris Pike, President and General Manager of WJLA-TV, the media has an important role to fill with this campaign. "The fact that nearly one of every seven kids in America doesn't have health insurance is serious. It is our responsiblity to help get this message out, and to do something about it."

Insure Kids Now! is a national initiative that began in 1999 to assist states in promoting the Children's Health Insurance and Medicaid programs. It provides a national toll-free number, **1-877-KIDS NOW**, which automatically directs families around the nation to their state's own enrollment center and a Web site, ***www.insurekidsnow.gov***, which links to state-specific eligibility and enrollment information.

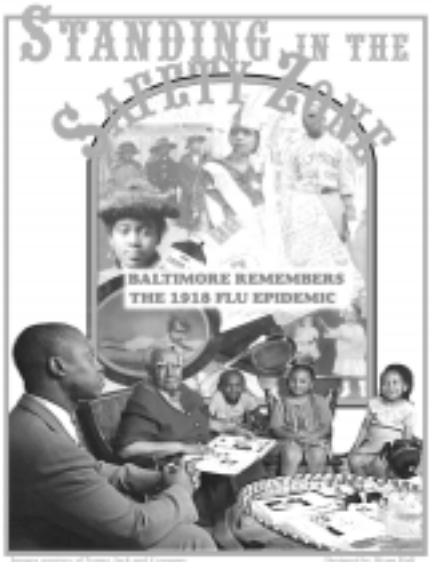
ABC-7, American Hospital Association, Communities in Schools, D.C. Action for Children, the Health Resources and

See **KIDS,** page 8

The Spanish Flu Epidemic Concerned the Public in 1918; Another Similar Epidemic Concerns Us Today

Families worried about the war raging in Europe in 1918, for they had fathers, sons, uncles and friends who shipped into the conflict. Compounding that concern was the prevailing Spanish flu epidemic. Twenty million people died worldwide of the flu that year, 700,000 in the United States, including 4,000 in the City of Baltimore.

We can protect ourselves from another flu epidemic by getting an annual flu immunization. African Americans are especially at risk since their flu immunization rate is half that of other populations.



The Health Care Financing Administration (HCFA) is educating the public about the importance of getting annual flu immunizations. Two 30-second television spots, featuring Baltimore's Mayor Kurt Schmoke and the other Emmy-award winning actor Andre Braugher, are being used in the educational effort this month in selected cities.

HCFA also is using a documentary entitled *Standing in the Safety Zone*, which tells about the Spanish flu epidemic's impact on the African-American community in Baltimore. Medicare beneficiaries tell their stories about the impact the flu had on their families and community. Special messages from Senator John Glenn, Andre Braugher, Mayor Kurt Schmoke, as well as Surgeon General Dr. David Satcher are presented.

At the local level, HCFA is having an educational display at the Enoch Pratt Free Library in Baltimore that provides a history of the Spanish flu epidemic in Baltimore, flu treatments used at the time, photographs of 1918 and 1999 Baltimore and stories from Camp Meade (now Fort Meade). *Standing in the Safety Zone* will be shown at the library and copies of the video will be available for people to borrow. Literature on flu immunizations, Medicare, Medicare coverage issues and HCFA will also be available. The Fort Meade Museum will have a display of World War I artifacts at the library. On Tuesday, October 26, there will be a flu clinic from 10 a.m. to 2 p.m. in the library's main hall, where free flu shots will be provided. ◆

The public is invited to visit the Enoch Pratt Free Library to view the displays, which will be located in the main hall of the library for the entire month of October. The library is located at 400 Cathedral Street, Baltimore, Maryland 21201-4484. Hours are Monday, Tuesday and Wednesday 10 a.m.- 8 p.m., Thursday and Saturday 10 a.m.- 5 p.m., Sunday 1 p.m.- 5 p.m. The library is closed on Friday.

Mary Case and Annette Lang, health insurance specialists at HCFA, contributed this article.

Medicare Payment Rates Averaging 1.1 Percent Go to Acute-Care Hospitals under the Balanced Budget Act in Fiscal Year 2000

The Health Care Financing Administration (HCFA) announced that more than 5,000 acute-care hospitals in the United States will receive an average 1.1 percent increase in Medicare payment rates in fiscal year 2000. The recommended payment increases are contained in a final rule published in July 30's *Federal Register.* [Also see ***http://www. access.gpo.gov/su_docs/fedreg/a99073-c/html***.]

The rate increases, which are authorized by the Balanced Budget Act of 1997 (BBA), affect acute-care hospirtals participating in Medicare.

Medicare pays for most inpatient hospital care through a prospective payment system (PPS), which pays hospitals a predetermined amount for each Medicare discharge based on the patient's diagnosis. Hospitals in large urban areas — cities with more than one million people — receive slightly higher payment rates than hospitals in other urban and rural areas.

The Balanced Budget Act allows for an increase in fiscal year 2000 of 1.8 percentage points less than the projected growth in the inflation rate for goods and services — known as the market basket — purchased by hospitals. The latest forecast of the 2000 market basket is 2.9 percent, up from the estimate of 2.7 percent in the proposed rule. According to the formula included in the BBA, payments to the PPS hospitals, sole community hospitals, and Medicare-dependent rural hospitals will increase on average by 1.1 percent.

Under the BBA, the payment rate increase for non-acute care, PPS-excluded hospitals is also based on a 2.9 increase in the market basket. PPS-excluded hospitals also include 3,400 non-acute care hospitals and hospital units such as psychiatric, rehabilitation, long-term care, cancer and children's facilities. Increases in payment limits for these hospitals would range from 0.4 percent to 2.9 percent. The size of the increase depends on the relationship between the hospital's acute costs and its predetermined cost limit for a previous cost-reporting period.

For fiscal year 1999, the 1997 Balanced Budget Act provided for a 0.8 increase for PPS hospitals and an update ranging from 0 percent to 2.4 percent for PPS-excluded hospitals. ◆

Selected Health Issues on the Web

http://www.dhhs.gov/progorg/oei/reports/a381.pdf.

The External Review of Hospital Quality: A Call for Greater Accountability (OEI-01-97-00050; 7/99)

Overall, the hospital review system is moving toward a collegial mode of oversight and away from a regulatory mode.

http://www.house.gov/berry/prescriptiondrugs/Natl3.htm#exb

Prescription Drug Pricing in the United States: Drug Companies Profit at the Expense of Older Americans

The study finds that older Americans pay inflated prices for commonly used drugs. For the five drugs investigated in this study, the average price differential was 99 percent.

http://www.hcfa.gov/pubforms/transmit/AB996760.htm

Update of Rates and Wage Index for Ambulatory Surgical Center (ASC) Payments Effective October 1, 1999

In accordance with Section 1833(I)(2)(C) of the Social Security Act), ASC facility payment rates will change to reflect an inflation adjustment, effective for services furnished on or after October 1, 1999.

http://www.gao.gov/new.items/he99118.pdf

Medicaid Managed Care: Four States' Experiences With Mental Health Carveout Programs — GAO/HEHS-99-118

Mental health services, such as crisis stabilization and partial hospitalization, are an important opponent of the health services covered under Medicaid, a joint federal-state program that pays for the health care of nearly 31 million low-income Americans. In 1996, federal and state governments spent an estimated $12.6 billion on Medicaid mental health services.

PANEL from page 1

Executive Committee of the Medicare Coverage Advisory Committee (Membership as of August 5, 1999)

Drugs, Biologics, and Therapeutics Panel

Thomas V. Holohan, M.A., M.D., FACP Chief, Veterans Health Administration, Department of Veterans Affairs, Washington, DC; **Leslie P. Francis**, J.D., Ph.D., Professor, College of Law- Department of Philosophy, University of Utah, Salt Lake City, UT.

Laboratory and Diagnostic Services Panel

John H. Ferguson, M.D., Director, Office of Medical Applications of Research, National Institutes of Health, Bethesda, MD; **Robert L. Murray**, Ph.D., Technical Director, Clinical Laboratories, Lutheran General Hospital, Park Ridge, IL.

Medical and Surgical Procedures Panel

Alan M. Garber, Ph.D., Professor of Medicine, Stanford University Medical School, Stanford University, Stanford, CA; **Michael D. Maves**, M.D., M.B.A., Executive Vice President, American Academy of Otolaryngology, Neck and Head Surgery, Alexandria, VA.

Drugs, Biologics, and Therapeutic Panel of the Medicare Coverage Advisory Committee

Chairperson: **Thomas V. Holohan**, M.A., M.D., FACP Chief, Veterans Health Administration, Department of Veterans Affairs, Washington, DC; *Vice Chairperson*: **Leslie P. Francis**, J.D., Ph.D., Professor, College of Law-Department of Philosophy, University of Utah, Salt Lake City, UT; *Voting Member:* **Judith A. Cahill**, M.A., Executive Director, Academy of Managed Care Pharmacy, Alexandria, VA; *Voting Member*: **Michael L. Friedland**, M.D., Dean, Health Sciences Center, College of Medicine, Texas A&M University System, College Station, TX; *Voting Member*: **Kathy J. Helzlsouer**, M.D., M.H.S. Associate Professor, School of Hygiene and Public Health, The Johns Hopkins University, Baltimore, MD; *Voting Member*: **Ronald P. Jordan**, R.Ph., Senior Vice President, Hospice Pharmacia, Philadelphia, PA; *Voting Member*: **Mitchell Sugarman**, M.B.A., M.S., Director, Medical Technology Assessment, The Permanente Foundation, Oakland, CA; *Voting Member*: **Robert C. Johnson**, M.S., President, R. C. Johnson Associates, Scottsdale, AZ; *Industry Representative*: **Cathleen M. Dooley**, M.A., Director, Reimbursement and Health Policy, Ortho Biotech, Inc., Raritan, NJ; *Consumer Representative*: **Christine M. Grant**, .J.D., Commissioner, Health and Senior Services, State of New Jersey, Trenton, NJ.

Laboratory and Diagnostic Services Panel of the Medicare Coverage Advisory Committee

Chairperson: **John H. Ferguson**, M.D., Director, Office of Medical Applications of Research, National Inatitutes of Health, Bethesda, MD; *Vice Chairperson*: **Robert L. Murray**, Ph.D., Tech. Director, Clinical Laboratories, Lutheran General Hospital, Park Ridge, IL; *Voting Member*: **David N. Sundwall**, M.D., President, American Clinical Laboratory Association, Washington, DC; *Voting Member*: **George G. Klee**, M.D., Ph.D., Professor of Laboratory Medicine, Mayo Medical School, Mayo Clinic, Rochester, MN; *Voting Member*: **Paul D. Mintz**, M.D., Associate Chair and Professor of Pathology, University of Virginia Health System, Charlottesville, VA; *Voting Member*: **Richard J. Hausner**, M.D., Medical Director, Clinical Laboratory, Cypress Fairbanks Medical Center Hospital, Houston, TX; *Voting Member*: **Mary E. Kass**, M.D., Chairman, Department of Pathology, Washington Hospital Center, Washington, DC; *Voting Member*: **Edward Conyers O'Bryan**, M.D. Chief, Division of Cardiology, McLeod Regional Medical Center, Florence, SC; *Voting Member*: **Cheryl J. Kraft**, M.S., Administrative Laboratory Director, Clinical and Anatomic Laboratories, Hennepin County Medical Center, Minneapolis, MN; *Voting Member*: **Neysa R. Simmers**, M.B.A., Vice President, Community Services, Augusta Health Care, Inc., Fishersville, VA; *Voting Member*: **John J. S. Brooks**, M.D., Chair & Professor, Department of Pathology, Roswell Cancer Institute, Buffalo, NY; *Voting Member*: **Paul M. Fischer**, M.D., Private Practice, Family Medicine, Matinez, GA; *Consumer Representative*: **Kathryn A. Snow**, M.H.A., Service Line Director for Seniors, Northern Michigan Hospital, Petoskey, MI; *Industry Representative*: **James (Rod) Barnes**, M.B.A., Director, Health Economics, Alcon Laboratories, Inc., Fort Worth, TX.

Medical and Surgical Procedures Panel of the Medicare Coverage Advisory Committee

Chairperson: **Alan M. Garber, M.D.**, Ph.D, Professor of Medicine, Stanford University Medical School, Stanford University, Stanford, CA; *Vice Chairperson*: **Michael D. Maves**, M.D., M.B.A., Executive Vice President, American Academy of Otolaryngology, Head and Neck Surgery, Alexandria, VA; *Voting Member*: **Angus M. McBryde**, M.D., FACS, Professor and Chairman, Department of Orthopaedic Surgery, Medical University of South Carolina, Charleston, SC; *Voting Member*: **H. Logan Holtgreave**, M.D., FACS, Associate Professor, School of Medicine, The Johns Hopkins University, Baltimore, MD; *Voting Member*: **Kenneth P. Brin**, M.D., Ph.D., Chief Executive Officer and Chairman, Board of Directors, Summit Medical Group, Summit, NJ; *Voting Member*: **Les J. Zendle**, M.D., Associate Medical Director, Southern California Permaneate Group, Pasadena, CA; *Voting Member*: **Bruce Sigsbee**, M.D., Executive Director, Physicians of Cape Cod, Hyannis, MA; *Voting Member*: **Linda D. Bradley**, M.D., Director of Hysteroscopic Services, The Cleveland Clinic Foundation, Cleveland, OH; *Voting Member*: **James P. Rathmell**, M.D., Associate Professor, Department of Anesthesiology, University of Vermont, College of Medicine, Burlington, VT; *Voting Member*: **Arnold M. Epstein**, M.D.,, Professor and Chairman, Department of Health Policy and Management, Harvard School of Public Health, Boston, MA; *Consumer Representative*: **Phyllis E. Greenberger**, M.S.W., Executive Director, Society for Women's Health Research, Washington, DC; *Industry Representative*: **Marshall S. Stanton**, M.D.,Vice President, Medical Affairs, Medtronic, Inc., Minneapolis, MN. ◆

New Regulation/Notice

Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2000 [HCFA–1065–P] — Published 7/22. This proposed rule would make several changes affecting Medicare Part B payment. The changes include implementation of resource-based malpractice insurance relative value units (RVUs); refinement of resource-based practice expense RVUs; payment for physician pathology and independent laboratory services. RVUs related to ventricular assist devices, percutaneous thrombectomy of an arteriovenous fistula, pulse oximetry, temperature gradient studies, venous pressure determinations, and pulmonary stress testing; discontinuous anesthesia time; optometrist services; prostate screening; diagnostic tests; the use of an operating microscope; use of CPT modifier -25; qualifications for nurse practitioners; an increase in the work RVUs for pediatric services; removal of the x-ray as a prerequsite for chiropractic manipulation; the exclusion of payment for assisted suicide; adjustments to the practice expense RVUs for physician interpretation of Pap smears; and revisions to the work RVUs for new and revised CPT codes for calendar year 1999. In addition, since we established the physician fee schedule on January 1, 1992, our experience indicates that some of our Part B payment policies need to be reconsidered. This proposed rule would correct inequities in physician payment and solicits public comments on specific proposed policy changes. Comments received by HCFA prior to the September 20, 1999 deadline are being considered. ◆

KIDS, from page 5

Services Administration, March of Dimes, Safeway Corporation and United Way of the National Capital Area joined McDonald's Corporation and HCFA as sponsors of the event.

Cheryl Dammons, a health insurance specialist at HCFA, contributed this article. ◆

Volunteers in T-shirts came prepared to help working families with uninsured children.

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Health Care Financing Administration
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